

(e) whether this is highest loss ever suffered by a commercial bank in the history of Indian banking; and

(f) the preventive steps taken or proposed to be taken in regard thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Indian Bank have reported a loss of Rs. 1336.40/- crores in 1995-96.

(b) These losses are mainly on account of provisioning for loan losses for 1995-96 and additional provisioning on account of short provisioning in earlier years based on the income recognition and asset classification of advances apart from funding losses. The funding losses are on account of large expansion of credit being funded by certificates of deposits whose cost exceeded the earnings on their deployment.

(c) to (d) & (f). A strategy is being devised for the revival of Indian Bank. At the instance of Reserve Bank of India the Indian Bank has appointed Investment Information and Credit Rating Agency of India (ICRA), a leading firm of consultants for suggesting a strategy for turn around. The Bank has also set up a Management Council to oversee its operations in all areas, an Investment Committee and a Committee of General Managers to closely monitor its large Non-Performing Assets and the recovery of funds.

(e) The losses suffered by Indian Bank are the highest suffered by any public sector bank.

Bogus Stock Invest

*485. SHRI ANANTH KUMAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Securities and Exchange Board of India (SEBI) has recently busted a racket involving use of bogus stock invests while subscribing to public issues;

(b) if so, the details thereof company-wise and bank-wise;

(c) the action taken or proposed to be taken against persons involved in the racket; and

(d) the steps taken or proposed to be taken to check recurrence of such cases?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) SEBI has identified 9 cases of public issues by Companies based in Ahmedabad and Indore where the issues have reportedly been subscribed through Fake/ Bogus Stockinvests.

(b) Company-wise and bank-wise details are given in the attached Statement.

(c) and (d). SEBI has taken the following steps :

(i) Show-cause notices have been issued to the issuers for refund of the subscription amount to the public;

(ii) The Stock Exchanges concerned have been advised to lodge complaints with the police;

(iii) Stock Exchanges have been advised to exercise caution at the time of finalisation of the basis of allotment.

(iv) The Reserve Bank of India has also been requested to take up inspection of the banks concerned.

STATEMENT

		Stock Invest Claimed to be issued by*					
Sl. No.	Name of the Issue	Date of Opening	Vijay Bank Nasik Branch		Federal Bank Nasik Branch		Total Amount
			No.	Amt. (Rs. Lacs)	No.	Amt. (Rs. Lacs)	(Rs. Lacs)
1.	Trendline Finance Limited, Ahmedabad	20/5/96	1850	180.00	-	-	180.00
2.	Prachi Leasing & Finance Limited, Ahmedabad	13/5/96	2499	124.95	93	498.20	623.15
3.	Harihar Chemicals Ltd., Ahmedabad	26/6/96	1038	62.95	-	-	62.95
4.	Swarship Properties Ltd., Ahmedabad	9/7/96	55	56.05	-	-	56.05

Sl. No. Name of the Issue		Stock Invest Claimed to be issued by*					
		Date of Opening	Vijay Bank Nasik Branch		Federal Bank Nasik Branch		Total Amount
			No.	Amt. (Rs. Lacs)	No.	Amt. (Rs. Lacs)	(Rs. Lacs)
5.	ELL Fashions Ltd., Ahmedabad	9/5/96	33	52.85	42	75.00	127.85
6.	Dwarkesh Finance Limited, Ahmedabad	12/4/96	1798	90.45	-	-	90.45
7.	Venus Floriculture Ltd., Ahmedabad	25/7/96	3491	34.91	24	24.00	58.91
8.	Delicious Investment & Finance Ltd., Indore	12/6/96	1017	65.00	-	-	65.00
9.	Vikas Spinning & Weaving Mills Limited, Indore	11/6/96	1794	89.70	-	-	89.70
			13575	756.86	159	597.20	1354.06

* The Vijaya Bank, Nasik Branch and Federal Bank, Nasik Branch have conformed that they have not issued any Stock Invests for these issues.

Export of Handloom and Handicrafts

*487. SHRI MANIKRAO HODLYA GAVIT :
SHRI PARASRAM BHARDWAJ :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Government provide grants to the exporters for the export of handloom cloth and handicrafts;

(b) if so, the total amount of the grant given during the last three years together with the number of exporters who received such grants;

(c) whether some cases of bogus agencies which have received such grants have come to the notice of the Government;

(d) if so, the details thereof; and

(e) the action taken by the Government thereon?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) No grant as such is being given by the Government of

India to exporters for export of handloom cloth and handicrafts.

(b) to (e). Do not arise.

India's Share in Global Leather Trade

*488. SHRI KRISHAN LAL SHARMA : Will the Minister of COMMERCE be pleased to state :

(a) whether India's share in Global leather trade is only 3.5%;

(b) if so, the reasons for low percentage thereof;

(c) whether the Government have fixed any target to increase its share in Global market by 2000 A.D.; and

(d) if so, the details thereof and the steps being taken to achieve the target?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) India's share in the global trade of leather and leather products was